Oregon Department of Environmental Quality



Community Climate Investment Entity Application Questions and Responses – April 26, 2023

DEQ posted a <u>Request for Applications</u> for interested non-profits to be approved as Community Climate Investment Entities on Mar 10, 2023. The application period closes May 10, 2023, at 4 p.m. This document covers questions that have been emailed or asked during a Question and Answer session. It will be updated as new questions come in, so note the date above to ensure you have the most recent version.

1. Is there flexibility for the selected CCI Entity(s) to negotiate the initial contract term (e.g. other than 2 years) and if so, how much flexibility might there be?

Yes, there can be flexibility, but this will be discussed at the time of contracting and not during the application phase.

2. There is no timeframe stated for the Comprehensive Management Plan. Should the applicant respond to this question for the initial 2-year term and/or describe conceptually how things will evolve over time?

Yes, respond to the question for the initial 2-year term and then describe conceptually how things could evolve over time.

3. Can you describe who and how many people will be on the Evaluation Committee? How familiar will this group be with the core rules, goals, and history of the program? How do the roles of the Evaluation Committee compare to the Equity Advisory Committee in the review and selection process?

DEQ will select an evaluation committee that is appropriate to review the request for applications. The Equity Advisory Committee does provide recommendations on responses to the request for application and as a part of participation on the committee, members disclose any potential or actual conflicts of interest.

4. Can a 'key person' be with a contractor or implementation partner (as opposed to a member of applicant's staff)? Would a contractual relationship need to be in place at the time the RFA is submitted, or can that wait until after the contract with DEQ is executed?

Yes, a key person could be a contractor or implementation partner. No, a contractual relationship at the time of the RFA is not required.



5. Can you describe "An existing or new industrial process or structure" and/or provide examples?

This is listed in the application under eligible projects and is in the Climate Protection Program rules. One example could be a new technology that is more energy efficient and thus can prove reductions in greenhouse gas emissions. As long as a project is reducing emissions that would have otherwise occurred in Oregon, that is an acceptable use of the funds. A project does not have to meet all categories below to be eligible, but rather address one or more areas. Eligible projects include:

- Transportation of people, freight, or both;
- An existing or new residential use or structure;
- An existing or new industrial process or structure; and
- An existing or new commercial use or structure.

6. How much funding is available for an applicant?

Community Climate Investments is a voluntary option for regulated fuel suppliers, thus DEQ does not know how much and the timing of CCI funds. In applying, an applicant is agreeing to receive any funds from regulated fuel suppliers who voluntarily use the Community Climate Investments to comply with the Climate Protection Program.

7. What level of emission reporting does DEQ require for an application?

For the application, DEQ is looking for applicants to propose how they would calculate greenhouse gas emission reductions for proposed projects and how they would track those emission reductions.

8. Does a CCI entity need to have a state-wide presence, or can it focus on a particular area within the state?

A CCI entity is not required to have a state-wide presence. It can focus on a particular area within the state as long as environmental justice communities are being prioritized throughout implementation. Applicants will be evaluated on how well their experience demonstrates centering and engaging environmental justice communities throughout Oregon and how well the applicant demonstrates the ability to scale and develop work over time.

9. Is there a list of environmental justice communities? If not, how will they be determined?

Environmental justice communities for this program are defined as communities of color, communities experiencing lower incomes, tribal communities, rural communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including seniors, youth, and persons with disabilities. DEQ is looking to applicants to propose which environmental justice communities would benefit from the proposed projects. Applicants could use a variety of ways to identify environmental justice communities.

10. Is there an emphasis on geographic distribution of projects versus environmental justice communities more broadly?

The Community Climate Investment Program was designed to benefit communities across Oregon. Furthermore, environmental justice communities are prioritized for investments. As DEQ implements the program, DEQ will be looking to support a diversity of environmental justice communities throughout Oregon.

11. If a CCI entity is not prepared to apply during this application period, will there be another application period, or will it be on a rolling basis?

DEQ seeks to approve one of more entities during this application period. There is not a future application period planned at this time.

12. When will DEQ know how many CCI credits regulated entities plan to buy in the first compliance period?

Once DEQ has one or more approved CCI entities, covered fuel suppliers could choose to purchase CCI credits at the current CCI contribution amount. Each year the CCI contribution price increases which may impact covered fuel suppliers' decisions about when to make a CCI contribution. The first compliance period is 2022-2024 and covered fuel suppliers would need to purchase any CCI credits for the first compliance period no later than November, 2025.

13. Would energy efficiency projects be eligible even if they do not include the additional reduction of other air contaminants?

Yes, as long as the project reduces greenhouse gas emissions, it would be an eligible use of the funds.

14. Will there be just one CCI entity or as many as possible?

DEQ is seeking to approve at least one CCI entity and is open to considering the approval of more than one.

15. How soon after receiving funds does the CCI entity have to implement projects and demonstrate emissions reduction equal to 1 metric ton carbon dioxide per CCI credit? What is the max amount of time allowed for emission reductions from a project to accrue?

CCI entities will not be able to spend any CCI funds until there is a DEQ approved workplan. DEQ will approve a methodology for calculating emission reductions as part of the workplan.

16. Is there a penalty for an entity who does not meet the goal of one metric ton of carbon dioxide per CCI credit?

No there is not a penalty.

17. Describe the potential relationship that may emerge between a CCI entity and community-based organizations?

There are many roles for organizations of various sizes to participate in the program and it is expected that this may develop over time as the funding and program grows. It is possible that a community-based organization is an approved CCI entity. It is also possible that a CCI entity is passing funding through to community-based organizations to implement emission reduction projects, engage community, and more.

18. Can the funds be used for capacity building?

Yes, this is an eligible use of the funds, considering there is also a proposed reduction in emissions.

19. Under the Comprehensive Management Plan the application asks for "emergency preparedness procedures". Can you clarify what type of emergencies you are contemplating?

Examples include emergencies that might affect operations and the ability to manage Community Climate Investments such as pandemics (COVID), climate events such as extreme heat, fire, earthquake, or terrorism. We are not asking that the examples be covered but are rather seeking to understand the applicant's approach to a need to adapt.

20. Section 3.8.2.2 - Can you provide a definition of "pending approval" CCI Funds listed in this statement: How well does Applicant demonstrate that any "approved" CCI funds are separated from the "pending approval" CCI funds?

CCI entities cannot spend any funds on projects unless those funds are part of an approved workplan. DEQ is seeking to understand how the entity might track an approved workplan versus funds that are going to be used as part of a future workplan.

21. Can you clarify in section 2.6 the phrase "merely offers to provide"?

DEQ is seeking example projects that are allowable uses of CCI funds. If an application states that the funds will be used for allowable projects only – and gives no examples of what those projects might be, that application will be considered non-responsive.

22. There is a request for "any available work samples" in section 2.6.3.1.1.2. Can you give examples, and will those be included in the maximum page count?

DEQ does not ask that an applicant edit work samples and there is not a preference on what types of work samples are provided. DEQ also posted an amendment to the application stating that the total page limit for all work samples is 15 pages. The work samples are not included in the 20-page limit for the application narrative.

23. Section 2.6.3.1 notes that experience of Key Persons can be used, but then in section 2.6.3.1.1 the document also appears to be asking for the experience of the Applicant

organization itself. Is this a separate question, or can the experience of all Key Persons be the experience provided in 2.6.3.1.1?

DEQ is seeking a rounded picture of both the applicant organization and the key persons involved. Experience of key persons can be used for the summaries of 3 example projects. Also, the same list under 2.6.3.1.1 could be used for the key person descriptions.

24. What size non-profit is DEQ looking for? Should a medium-sized organization be a subcontractor instead of applying to be a CCI Entity?

DEQ is encouraging everyone to apply who may be interested. What is requested in the application process is what we are reviewing. As the organization works through the application process, it may figure out what role is most appropriate. It might be helpful to review the Request for Information feedback that was received and posted on the website for others who might be interested in applying with the purpose of potential collaboration. DEQ is only planning to host an RFA for CCI Entities, not subcontractors.

25. What role do forestry, natural and working lands, and carbon-offsets hold in the program?

CCI funds can only be used on anthropogenic emission reduction projects in Oregon, meaning carbon sequestration projects are not eligible projects. Only CCI credits and compliance instruments can be used by regulated companies to demonstrate compliance with the Climate Protection Program.

26. Can the applicant ask DEQ employees to be a reference for the application?

No, DEQ employees should not be listed as a reference for the application.

27. Do subcontractors need to be 501(c)3's or can they be a private for-profit company?

Subcontractors do not need to be 501c3 non-profits.

28. Can CCI entities choose to either implement or subcontract out project implementation?

Yes, approved CCI entities could do either or both.

29. If a project involves auditing a building for energy efficiencies, does the owner of the building need to implement the audit actions for it to be an eligible project?

Yes, there needs to be emission reductions for the project to be an eligible project. DEQ is asking how the applicant proposes to track those emission reductions and over what proposed timeline.

30. Can funds be used for already existing projects?

Yes, eligible projects include expanding the reach of already existing projects. A project that has already been completed is not an eligible project.

31. How will DEQ do GHG emission reduction accounting for projects?

DEQ will ask for the proposed calculations and methodologies. It has not been determined if there will be one methodology or if there are multiple CCI entities, they will use their own.

32. Can approved CCI GHG emission reduction projects occur at regulated entities?

Covered entities and related entities cannot be CCI entities or subcontractors, so therefore cannot receive CCI funds. However, eligible projects can occur at covered entities, provided that there has been feedback and support from environmental justice communities as well as the Equity Advisory Committee.

33. In Attachment E, in the Experience section referencing 2.6.3/3.8.2.4, it says "4. Subcontractors on Subcontractors Plan." Instead, should this read, 'Subcontractors on applicant's plan'?

Yes, this is a typo. It should read "Subcontractors on applicant's plan".

34. In section 2.6.3.4.3 regarding Subcontractors, the application states that information shall be provided for each of the known or planned subcontractors. For multiple known subcontractors this information could take up a lot of space within the page limit, can this information be excluded from the page limit.

Yes, information related to 2.6.3.4.3 regarding subcontractors has been amended and is linked on the website. Subcontractor information requested in this section is now outside of the application page limit – at a maximum of 10 pages for that information specifically.

Contact

All questions and application materials should go to the Climate Policy Community Engagement Coordinator, Whitney Dorer at Whitney.Dorer@deq.oregon.gov.

Non-discrimination statement

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